

# OFFICE OF FINANCE - 10

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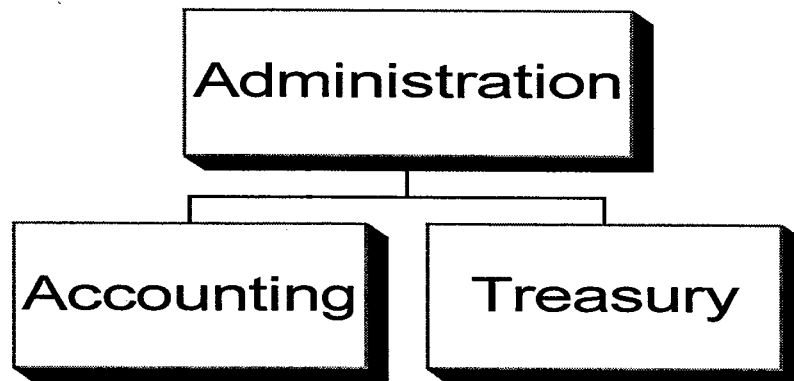
## ***MISSION***

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The Office of Finance is dedicated to professionalism in maximizing available resources and in delivering creative and innovative financial services to the County.

## ***ORGANIZATION CHART***

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## ***DESCRIPTION OF SERVICES***

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- Manages cash of various funds and prudently invests funds to assure the safety, liquidity, and yield of the County's funds.
- Oversees the audit of County operations and financial transactions.
- Prepares interim and annual financial statements for the County Executive and County Council.
- Supports the legislative process, including composition and review of proposed resolutions or bills with financial impact.
- Prepares for County bond sales and advises on debt management.
- Manages the County's Risk Management Program.
- Collects and accounts for various revenues and fees, including property taxes due to the County.
- Manages the General Fund, pension trust funds, internal service funds, enterprise funds and special revenue funds.
- Responsible for the processing of payments to vendors, contractors, claimants and employees for goods, claims, and services.
- Administers tax sales.

***FY2002 HIGHLIGHTS***

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- An accident prevention team continued to work with agencies on training programs and other measures to improve safety in the workplace and in the field.
- Accounting Division staff on the GASB-34 team assisted in implementing new financial reporting requirements for state and local governments.
- The Treasury Division implemented the transition of the State-mandated 100% assessed valuation of property and concurrent reduction of levies.
- Issued \$83,820,000 in General Obligation Consolidated Public Improvement Bonds in November 2001 at the lowest interest rate (4.59%) in recent history.

***FY2003 OVERVIEW***

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An overall budget increase from FY2002 of nearly 12% includes costs of an additional accountant to address workload changes resulting from the accounting requirements of the Redevelopment Authority and an additional clerk to handle new tasks associated with the collection of the new telecommunications tax that became effective on June 1, 2002.

The Risk Management unit will continue to focus on accident prevention and training programs to reduce the County's exposure to claims liability.

Office of Finance staff will be involved in developing the new County website and internet access for improved customer service relating to financial and property tax information and payment of taxes online.

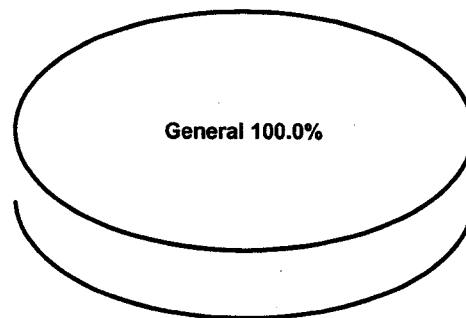
Staff will be highly involved in financing arrangements for major construction projects.

A document imaging/system will be developed and utilized for records storage and retrieval.

|                               | FY2001<br>ACTUAL    | FY2002<br>BUDGET    | FY2002<br>ESTIMATED | FY2003<br>APPROVED  | CHANGE<br>FY2002-FY2003 |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|
| <b>TOTAL EXPENDITURES</b>     | <b>\$ 2,755,383</b> | <b>\$ 3,039,500</b> | <b>\$ 3,162,100</b> | <b>\$ 3,398,200</b> | <b>11.8%</b>            |
| <b>EXPENDITURE DETAIL</b>     |                     |                     |                     |                     |                         |
| Administration                | 1,254,125           | 1,393,100           | 1,453,500           | 1,461,200           | 4.9%                    |
| Accounting                    | 1,852,417           | 1,998,100           | 2,105,800           | 2,226,100           | 11.4%                   |
| Treasury                      | 1,460,948           | 1,598,000           | 1,508,000           | 1,705,700           | 6.7%                    |
| Recoveries                    | (1,812,107)         | (1,949,700)         | (1,905,200)         | (1,994,800)         | 2.3%                    |
| <b>TOTAL</b>                  | <b>\$ 2,755,383</b> | <b>\$ 3,039,500</b> | <b>\$ 3,162,100</b> | <b>\$ 3,398,200</b> | <b>11.8%</b>            |
| <b>SOURCES OF FUNDS</b>       |                     |                     |                     |                     |                         |
| General Fund                  | \$ 2,755,383        | \$ 3,039,500        | \$ 3,162,100        | \$ 3,398,200        | 11.8%                   |
| Other County Operating Funds: |                     |                     |                     |                     |                         |
| <b>TOTAL</b>                  | <b>\$ 2,755,383</b> | <b>\$ 3,039,500</b> | <b>\$ 3,162,100</b> | <b>\$ 3,398,200</b> | <b>11.8%</b>            |

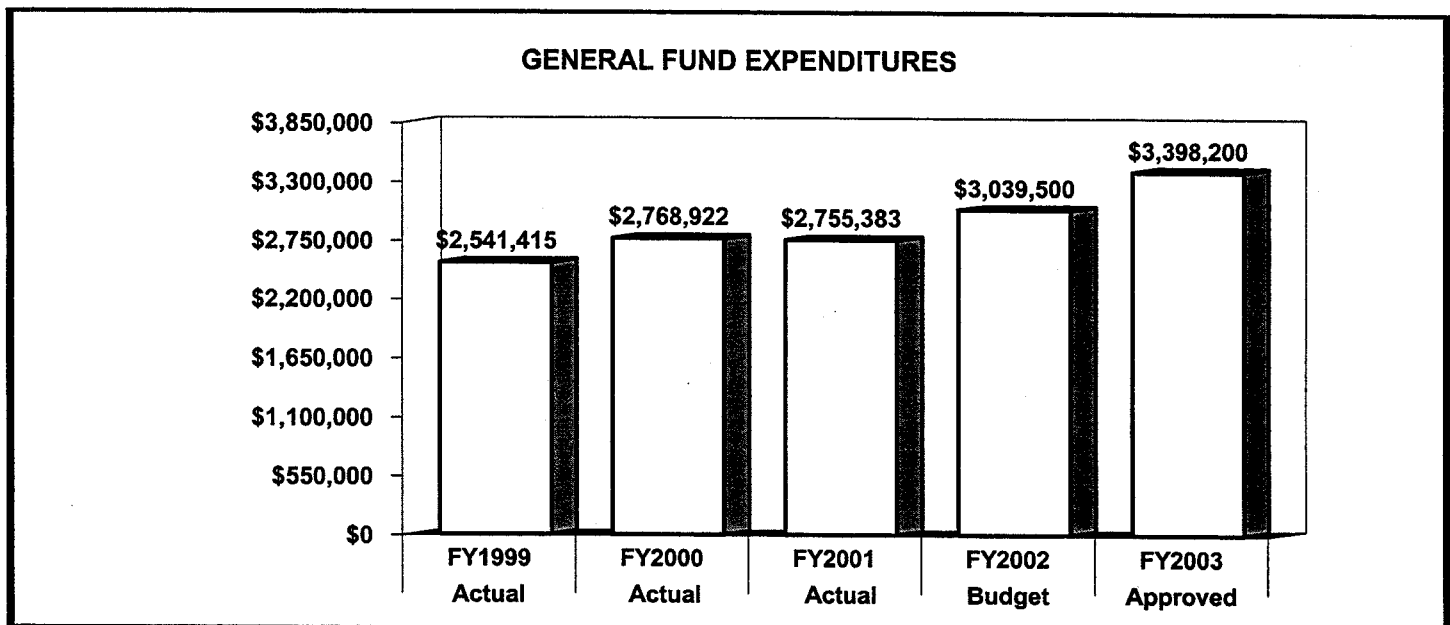
## FY2003 SOURCES OF FUNDS

Although the agency's bottom line is supported 100% by the General Fund, a large portion of its costs are allocated to other sources via recoveries.

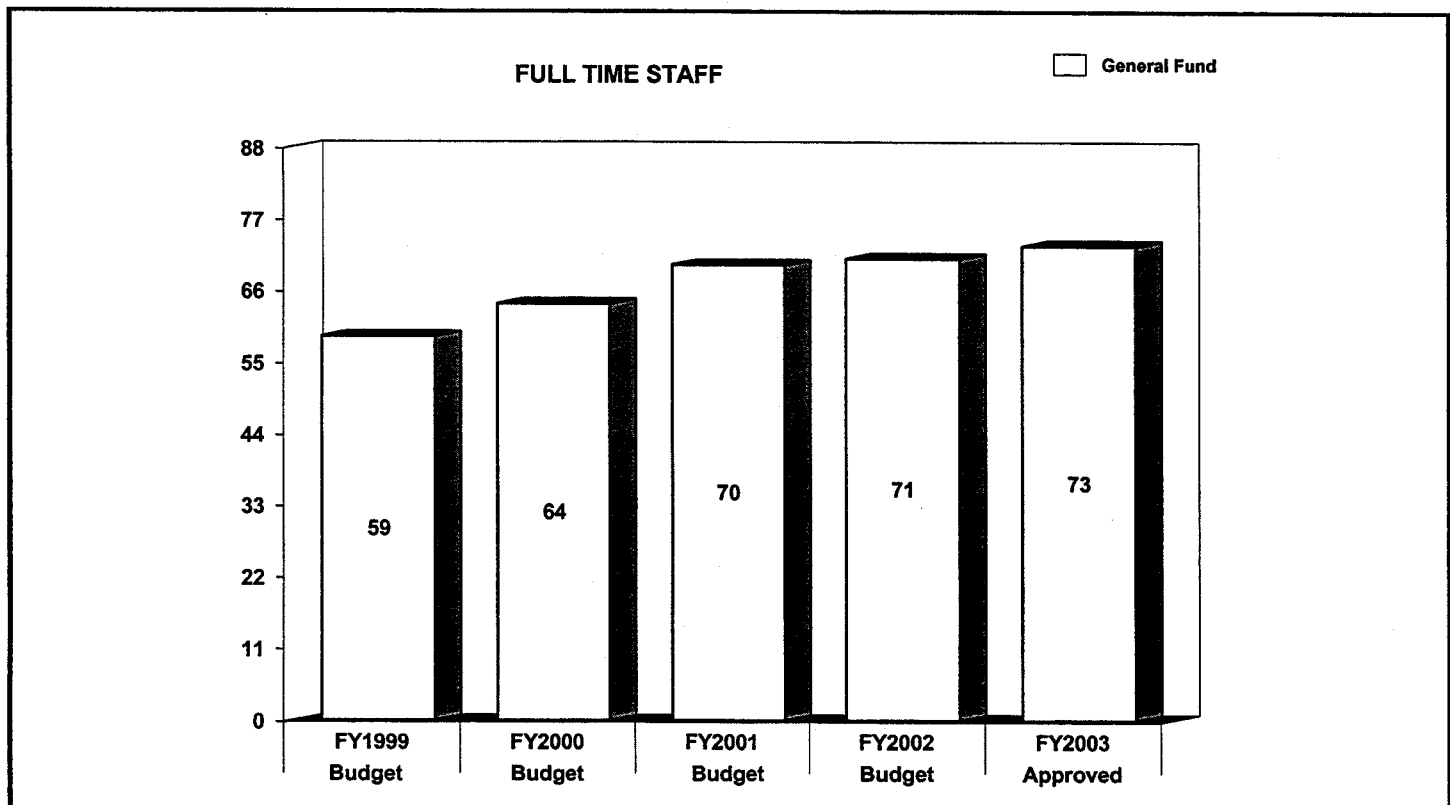


|                           | FY2001<br>BUDGET | FY2002<br>BUDGET | FY2003<br>APPROVED | CHANGE<br>FY2002-FY2003 |
|---------------------------|------------------|------------------|--------------------|-------------------------|
| <b>GENERAL FUND STAFF</b> |                  |                  |                    |                         |
| Full Time - Civilian      | 70               | 71               | 73                 | 2                       |
| Full Time - Sworn         | 0                | 0                | 0                  | 0                       |
| Part Time                 | 0                | 0                | 0                  | 0                       |
| Limited Term Grant Funded | 0                | 0                | 0                  | 0                       |
| <b>OTHER STAFF</b>        |                  |                  |                    |                         |
| Full Time - Civilian      |                  |                  |                    |                         |
| Full Time - Sworn         |                  |                  |                    |                         |
| Part Time                 |                  |                  |                    |                         |
| Limited Term Grant Funded |                  |                  |                    |                         |
| <b>TOTAL</b>              |                  |                  |                    |                         |
| Full Time - Civilian      | 70               | 71               | 73                 | 2                       |
| Full Time - Sworn         | 0                | 0                | 0                  | 0                       |
| Part Time                 | 0                | 0                | 0                  | 0                       |
| Limited Term              | 0                | 0                | 0                  | 0                       |

| POSITIONS BY CATEGORY      | FULL<br>TIME | PART<br>TIME | LIMITED<br>TERM |
|----------------------------|--------------|--------------|-----------------|
| Director                   | 1            | 0            | 0               |
| Administrative Specialists | 5            | 0            | 0               |
| Accountants                | 17           | 0            | 0               |
| Administrative Assistants  | 4            | 0            | 0               |
| Administrative Aides       | 8            | 0            | 0               |
| Other                      | 7            | 0            | 0               |
| Account Clerks             | 28           | 0            | 0               |
| Deputy Director            | 2            | 0            | 0               |
| Associate Director         | 1            | 0            | 0               |
| <b>TOTAL</b>               | <b>73</b>    | <b>0</b>     | <b>0</b>        |



General Fund expenditures increased in FY2003 as a result of a staff increase of two positions and merit and cost of living increases for County employees.



Staffing is relatively unchanged from FY2002. An accountant was added to provide accounting services on behalf of the Redevelopment Authority. An account clerk was also added to address tasks associated with the collection of the new telecommunications tax.

| PERFORMANCE MEASURES   | FY1999 ACTUAL | FY2000 ACTUAL | FY2001 ACTUAL | FY2002 ESTIMATED | FY2003 PROJECTED |
|--|---------------|---------------|---------------|------------------|------------------|
| <b>Administration Division</b>   |               |               |               |                  |                  |
| Number of safety site inspections  | -             | -             | 0             | 100              | 100              |
| Number of safety training sessions   | -             | -             | 6             | 30               | 40               |
| An accident prevention team works with agencies to promote safety and reduce injuries.   |               |               |               |                  |                  |
| <b>Accounting Division</b>   |               |               |               |                  |                  |
| Invoices prepared per accounts receivable clerk  | 3,450         | 3,218         | 3,013         | 2,832            | 2,676            |
| Time sheets processed per payroll clerk  | 50,991        | 53,405        | 52,526        | 52,901           | 53,430           |
| Grants maintained per accountant   | 204           | 215           | 246           | 251              | 256              |
| % of County employees participating in direct deposit program  | 69.7%         | 72.3%         | 74.0%         | 75.2%            | 78.0%            |
| <b>Treasury Division</b>   |               |               |               |                  |                  |
| Current year's tax collections and credits as percent of total levy  | 98.7%         | 98.8%         | 98.4%         | 99.0%            | 99.0%            |
| Total tax collections and credits as percent of total initial levy   | 99.6%         | 98.8%         | 98.4%         | 99.3%            | 99.3%            |
| As a result of continuing collection efforts, FY1999 and FY2000 actuals for total tax collections and credits as percentages of total initial levies have been adjusted from the percent levels shown in the FY2002 Approved Budget. |               |               |               |                  |                  |

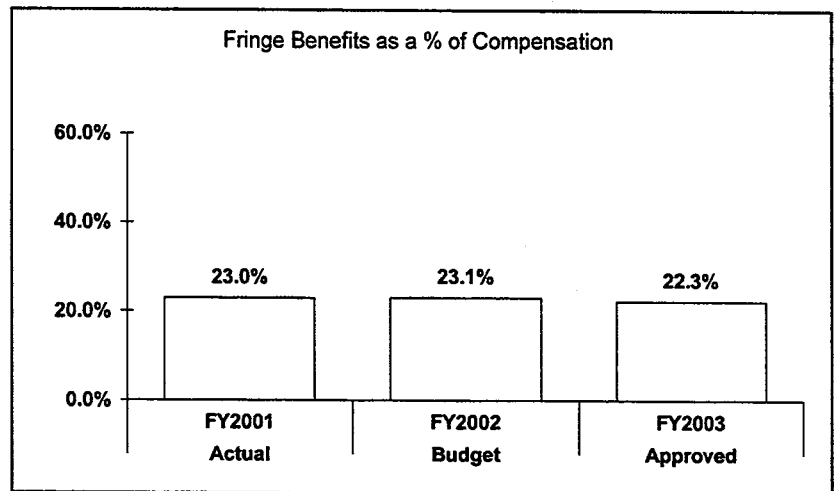
|                            | FY2001<br>ACTUAL    | FY2002<br>BUDGET    | FY2002<br>ESTIMATED | FY2003<br>APPROVED  | CHANGE<br>FY2002-FY2003 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|
| <b>EXPENDITURE SUMMARY</b> |                     |                     |                     |                     |                         |
| Compensation               | \$ 3,174,371        | \$ 3,389,700        | \$ 3,450,500        | \$ 3,724,900        | 9.9%                    |
| Fringe Benefits            | 728,925             | 782,300             | 743,800             | 828,900             | 6%                      |
| Operating Expenses         | 664,194             | 817,200             | 873,000             | 839,200             | 2.7%                    |
| Capital Outlay             | 0                   | 0                   | 0                   | 0                   | 0%                      |
|                            | \$ 4,567,490        | \$ 4,989,200        | \$ 5,067,300        | \$ 5,393,000        | 8.1%                    |
| Recoveries                 | (1,812,107)         | (1,949,700)         | (1,905,200)         | (1,994,800)         | 2.3%                    |
| <b>TOTAL</b>               | <b>\$ 2,755,383</b> | <b>\$ 3,039,500</b> | <b>\$ 3,162,100</b> | <b>\$ 3,398,200</b> | <b>11.8%</b>            |
| <b>STAFF</b>               |                     |                     |                     |                     |                         |
| Full Time - Civilian       | -                   | 71                  | -                   | 73                  | 2.8%                    |
| Full Time - Sworn          | -                   | 0                   | -                   | 0                   | 0%                      |
| Part Time                  | -                   | 0                   | -                   | 0                   | 0%                      |
| Limited Term Grant         | -                   | 0                   | -                   | 0                   | 0%                      |

Compensation includes funding for merit and cost of living increases as well as an additional accountant position (70% recovered from the Redevelopment Authority) and an additional account clerk.

Operating expenses include funds for office automation, contractual services, and production of financial reports.

Sources of recoveries are the County's Risk Management Funds, the Capital Improvement Program, Pension Funds, Insurance Funds, Enterprise Funds, Life and Health Benefits Funds, and the Redevelopment Authority.

| MAJOR OPERATING EXPENDITURES<br>FY2003 |            |
|--|------------|
| Office Automation                      | \$ 327,000 |
| General and Administrative Contracts   | \$ 215,400 |
| Operational Contracts                  | \$ 112,000 |
| Printing and Reproduction              | \$ 63,400  |
| Telephones                             | \$ 47,200  |



**ADMINISTRATION - 01**

This Division oversees all of the activities of the Office and has direct responsibility for coordinating and financing bond sales for capital projects, real estate and equipment acquisition, and operating cash needs.

The Division administers a comprehensive insurance program designed to minimize the County's exposure to risks in the areas of professional, general and automobile liability, fire and casualty losses, and worker's compensation. The Division also has responsibility for the management of cash flow and the investment of all funds not immediately required for expenditure in an effort to maximize return.

|                            | <b>FY2001<br/>ACTUAL</b> | <b>FY2002<br/>BUDGET</b> | <b>FY2002<br/>ESTIMATED</b> | <b>FY2003<br/>APPROVED</b> | <b>CHANGE<br/>FY2002-FY2003</b> |
|----------------------------|--------------------------|--------------------------|-----------------------------|----------------------------|---------------------------------|
| <b>EXPENDITURE SUMMARY</b> |                          |                          |                             |                            |                                 |
| Compensation               | \$ 806,328               | \$ 884,900               | \$ 923,200                  | \$ 943,700                 | 6.6%                            |
| Fringe Benefits            | 174,842                  | 204,000                  | 199,000                     | 210,000                    | 2.9%                            |
| Operating Expenses         | 272,955                  | 304,200                  | 331,300                     | 307,500                    | 1.1%                            |
| Capital Outlay             | 0                        | 0                        | 0                           | 0                          | 0%                              |
| <b>Sub-Total</b>           | <b>\$ 1,254,125</b>      | <b>\$ 1,393,100</b>      | <b>\$ 1,453,500</b>         | <b>\$ 1,461,200</b>        | <b>4.9%</b>                     |
| Recoveries                 | (801,373)                | (887,500)                | (883,100)                   | (926,800)                  | 4.4%                            |
| <b>TOTAL</b>               | <b>\$ 452,752</b>        | <b>\$ 505,600</b>        | <b>\$ 570,400</b>           | <b>\$ 534,400</b>          | <b>5.7%</b>                     |
| <b>STAFF</b>               |                          |                          |                             |                            |                                 |
| Full Time - Civilian       | -                        | 14                       | -                           | 14                         | 0%                              |
| Full Time - Sworn          | -                        | 0                        | -                           | 0                          | 0%                              |
| Part Time                  | -                        | 0                        | -                           | 0                          | 0%                              |
| Limited Term Grant         | -                        | 0                        | -                           | 0                          | 0%                              |



**ACCOUNTING - 02**

The Accounting Division is responsible for the timely and accurate recording and reporting of the financial activities of the County to ensure conformity with legal requirements, administrative policy and generally accepted accounting principles. These activities are captured in several standard funds and account groups that include: the General Fund; the Special Revenue Fund; the Debt Service Fund; the Capital Projects Fund; the Enterprise Funds, which include Solid Waste and Stormwater Management; the Internal Service Funds, such as the Self-Insurance Funds; the Trust, Agency and Pension Funds; and the Fixed Assets and Long-Term Debt Account Groups. This Division is also responsible for preparation of the Comprehensive Annual Financial Report, the State's Uniform Financial Report and the Indirect Cost Allocation Plan. The latter is used to recover indirect costs and fringe benefits applicable to grants and contracts. This Division also performs all accounting functions related to County accounts receivable, accounts payable and travel transactions.

The Accounting Division coordinates two other major activities within the Office of Finance. The payroll unit maintains and operates the automated payroll system and processes the bi-weekly County payroll and monthly pension payments. The accounting system staff is responsible for maintaining and operating the County's automated accounting system.

|                            | <b>FY2001<br/>ACTUAL</b> | <b>FY2002<br/>BUDGET</b> | <b>FY2002<br/>ESTIMATED</b> | <b>FY2003<br/>APPROVED</b> | <b>CHANGE<br/>FY2002-FY2003</b> |
|----------------------------|--------------------------|--------------------------|-----------------------------|----------------------------|---------------------------------|
| <b>EXPENDITURE SUMMARY</b> |                          |                          |                             |                            |                                 |
| Compensation               | \$ 1,391,444             | \$ 1,445,400             | \$ 1,542,400                | \$ 1,643,900               | 13.7%                           |
| Fringe Benefits            | 308,599                  | 333,700                  | 332,500                     | 365,800                    | 9.6%                            |
| Operating Expenses         | 152,374                  | 219,000                  | 230,900                     | 216,400                    | -1.2%                           |
| Capital Outlay             | 0                        | 0                        | 0                           | 0                          | 0%                              |
| <b>Sub-Total</b>           | <b>\$ 1,852,417</b>      | <b>\$ 1,998,100</b>      | <b>\$ 2,105,800</b>         | <b>\$ 2,226,100</b>        | <b>11.4%</b>                    |
| Recoveries                 | (835,178)                | (877,900)                | (838,800)                   | (877,200)                  | -0.1%                           |
| <b>TOTAL</b>               | <b>\$ 1,017,239</b>      | <b>\$ 1,120,200</b>      | <b>\$ 1,267,000</b>         | <b>\$ 1,348,900</b>        | <b>20.4%</b>                    |
| <b>STAFF</b>               |                          |                          |                             |                            |                                 |
| Full Time - Civilian       | -                        | 30                       | -                           | 33                         | 10%                             |
| Full Time - Sworn          | -                        | 0                        | -                           | 0                          | 0%                              |
| Part Time                  | -                        | 0                        | -                           | 0                          | 0%                              |
| Limited Term Grant         | -                        | 0                        | -                           | 0                          | 0%                              |

**TREASURY - 03**

The Treasury Division collects and accounts for real property taxes, business personal property taxes, solid waste service charges and special area assessments for the County and taxes and charges for the State of Maryland, the Washington Suburban Sanitary Commission, the Maryland-National Capital Park and Planning Commission, the Washington Suburban Transit Commission and 27 municipalities in the County. Other taxes administered include recordation, transfer, energy, mobile home and hotel/motel taxes. The Treasury Division is also responsible for issuing tax certifications, auditing tax adjustments, processing circuit breaker refunds, administering various tax credit programs, collecting fees associated with evictions, administering the semi-annual tax payment option, and selling properties at tax sale for delinquent taxes.

|                            | <b>FY2001<br/>ACTUAL</b> | <b>FY2002<br/>BUDGET</b> | <b>FY2002<br/>ESTIMATED</b> | <b>FY2003<br/>APPROVED</b> | <b>CHANGE<br/>FY2002-FY2003</b> |
|----------------------------|--------------------------|--------------------------|-----------------------------|----------------------------|---------------------------------|
| <b>EXPENDITURE SUMMARY</b> |                          |                          |                             |                            |                                 |
| Compensation               | \$ 976,599               | \$ 1,059,400             | \$ 984,900                  | \$ 1,137,300               | 7.4%                            |
| Fringe Benefits            | 245,484                  | 244,600                  | 212,300                     | 253,100                    | 3.5%                            |
| Operating Expenses         | 238,865                  | 294,000                  | 310,800                     | 315,300                    | 7.2%                            |
| Capital Outlay             | 0                        | 0                        | 0                           | 0                          | 0%                              |
| <b>Sub-Total</b>           | <b>\$ 1,460,948</b>      | <b>\$ 1,598,000</b>      | <b>\$ 1,508,000</b>         | <b>\$ 1,705,700</b>        | <b>6.7%</b>                     |
| Recoveries                 | (175,556)                | (184,300)                | (183,300)                   | (190,800)                  | 3.5%                            |
| <b>TOTAL</b>               | <b>\$ 1,285,392</b>      | <b>\$ 1,413,700</b>      | <b>\$ 1,324,700</b>         | <b>\$ 1,514,900</b>        | <b>7.2%</b>                     |
| <b>STAFF</b>               |                          |                          |                             |                            |                                 |
| Full Time - Civilian       | -                        | 27                       | -                           | 26                         | -3.7%                           |
| Full Time - Sworn          | -                        | 0                        | -                           | 0                          | 0%                              |
| Part Time                  | -                        | 0                        | -                           | 0                          | 0%                              |
| Limited Term Grant         | -                        | 0                        | -                           | 0                          | 0%                              |